GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2488
ANSWERED ON:09.08.2005
FDI IN PHARMA AND DRUG SECTOR
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the export of medicines have registered growth during 2003-04, 2004-05 and thereafter;

(b) if so, the details with regard to export;

(c) whether the export of medicines will reduce on the adoption of product patent system of drugs;

(d) if so, the details thereof alongwith the names of the medicines adversely affected on the introduction of product patent system in the country;

(e) whether the Government proposes to promote foreign investments for research and development work in Pharma and Drug Sector; and

(f) if so, the details thereof alongwith its effect on domestic sector?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY(SHRI E.V.K.S. ELANGOVAN)

(a) & (b): Export value of drugs and Pharmaceuticals for last three years is as under:

2002-2003	Rs.12826 crore
2003-2004	Rs.14321 crore
2004-2005	Rs.16440 crore
(Provisional)	

(c) & (d): The product patent regime for drugs has been introduced only from 01.01.2005 and no product patent has been granted for drugs so far. Therefore, it is premature to assess the impact of product patent on export of medicines.

(e) & (f): Government has put in place a liberal, transparent and investor-friendly Foreign Direct Investment (FDI) policy which inter-alia allows FDI up to 100% on the automatic route for Research and Development for Drugs and Pharmaceuticals. Apart from capital, FDI brings in technology upgradation and best management practices thereby enhancing competitiveness of the domestic industry in the international market and exports.